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PIERCE PROPOSED AMENDMENT # 2

DATE PREPARED: December 7, 2011

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COMPANY:
AZ CORP COMMISSION
DOCKET CONTROL
DOCKET NOS:

Tucson Electric Power Company

E-01933A-11-0269

OPEN MEETING DATES: December 13 & 14, 2011

AGENDA ITEM: U-16

Page 39, Line 22

"The Commission agrees with Staff that a reduction to this budget line item is warranted. We are becoming more and more concerned about the appropriateness of including these types of expenses in the REST* surcharge. However, in order to accommodate a transition away from this funding source, we will reduce TEP's requested and development budget by half, leaving \$475,000. We will allow TEP the flexibility to allocate this funding among the various projects listed above, provided that TEP shall not increase funding for any project beyond the Staff Proposed Funding levels."


* It is noteworthy that our Energy Efficiency rules expressly authorize the recovery of research and development expenses but our REST rules do not.

Make All Conforming Changes

Arizona Corporation Commission

DOCKETED

DEC 12 2011

DOCKETED BY


THIS AMENDMENT:

____ Passed ____ Passed as amended by ____

____ Failed ____ Not Offered ____ Withdrawn